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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/504,803	02/16/2000	P. Howard Edelstein	03716-P0002A	6146
24126 7590 12/22/2009 ST. ONGE STEWARD JOHNSTON & REENS, LLC 986 BEDFORD STREET STAMFORD, CT 06905-5619				
EXAMINER FELTEN, DANIEL S				
ART UNIT		PAPER NUMBER		
3696				
MAIL DATE		DELIVERY MODE		
12/22/2009		PAPER		

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte P. HOWARD EDELSTEIN,
CHRISTOPHER J. WALSH,
CHRISTOPHER G. SMITH,
GARY S. FOSTER, and
PETER J. TIERNEY

Appeal 2009-004927
Application 09/504,803
Technology Center 3600

Decided: December 22, 2009

Before HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

P. Howard Edelstein, et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-8, 10-30, and 32-56. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM.¹

THE INVENTION

The invention relates to a method and system for “facilitating the processing and settlement of securities trades.” Specification 1:2-3.

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A system for facilitating the processing and management of a securities trade comprising:

a computer;

trade execution information supplied by a first trading party and received by said computer, said trade execution information indicative of an executed trade by the first trading party and comprising party supplied data elements concerning conditions of the executed trade itself;

trade allocation information supplied by a second trading party and received by said computer, said trade allocation information indicative of an ordered trade by the second trading party and comprising party

¹ Our decision will make reference to the Appellants’ Appeal Brief (“Br.,” filed Apr. 28, 2008) and the Examiner’s Answer (“Answer,” mailed Aug. 11, 2008).

supplied data elements concerning conditions of the ordered trade itself;

a set of predefined acceptable trade details; and

software executing on said computer for comparing the party supplied data elements contained in said trade execution information with the party supplied data elements contained in said trade allocation information, and for determining that a match exists if the party supplied data elements contained in said trade execution information and the party supplied data elements contained in said trade allocation information correlate within said set of predefined acceptable trade details.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Nelson	US 4,823,265	Apr. 18, 1989
Hammons	US 6,477,509 B1	Nov. 5, 2002

The following rejection is before us for review:

1. Claims 1-8, 10-30, and 32-56 are rejected under 35 U.S.C. §103(a) as being unpatentable over Nelson and Hammons.

ISSUES

Have the Appellants shown error in the rejection?

FINDINGS OF FACT

We rely on the Examiner's factual findings stated in the Answer (Ans. 3-7) and Non-Final Office Action mailed Feb. 11, 2008 (pages 2-6).

PRINCIPLES OF LAW

Obviousness

Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’ *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *Graham*, 383 U.S. at 17-18.

ANALYSIS

The Appeal Brief treats only the rejection of claim 1 with any substance.

The Appellants argue that claim 1 “requires that two specific types of data sets are compared and a match is determined to exist if the data sets correlate with certain specified parameters.” Br. 11. The Appellants argue that neither Nelson nor Hammons disclose, teach or suggest this requirement. Br. 11. This is not a persuasive argument as to error in the rejection of claim 1.

The Appellants do not give an accurate characterization of the claimed subject matter. Claim 1 is directed to an apparatus comprising a computer, three pieces of information (trade execution information supplied by a first trading party, trade allocation information supplied by a second party, and “a set of predefined acceptable trade details”), and software for comparing party supplied data elements in the trade execution and trade allocation information and determining a match if the party supplied data elements “correlate within said set of predefined acceptable trade details.” According to the Specification, the criteria for specifying “a set of predefined acceptable trade details” may involve any particular information, including a numerical value. Specification 11:15-22 and 12:2-5. Therefore, even an indication that a trade is acceptable could be considered “a set of predefined acceptable trade details.” Accordingly, when reasonably broadly construed, claim 1 is directed to a combination of a computer and software to enable the computer to compare two pieces of supplied information and determine a match if they correlate to another piece of information, such as an indication that a trade is acceptable. There is no mention of “data sets” or “certain specified parameters” as the Appellants have characterized the claimed subject matter as requiring.

The Appellants argue that Nelson does not disclose comparing two sets of data with a set of acceptable trade parameters. Br. 11. In that regard, the Examiner directed the Appellants to col. 1, ll. 48-55; col. 9, ll. 29-41; and col. 15, ll. 41+ of Nelson. *See* Office Action of Feb. 11, 2008, p.3. Answer 4. The Appellants dispute the Examiner’s characterization of what Nelson discloses only to the extent that the Appellants find the disclosure at col. 9, ll. 35-37 of Nelson to only “provid[e] an “exchange” where a variety

of entities may gather, offer renewable options, view offered renewable options, and decide to accept or reject listed offers for renewable options.”

Br. 11. The other passages, the Examiner directed the Appellants to, are not addressed. And yet it is quite clear from reading the passage at col. 1, ll. 48-55 that Nelson is directed to systems for matching buyers and sellers.

Reading the passage at col. 9, ll. 29-41, Nelson clearly describes an embodiment of a computer-enabled renewable option accounting and marketing system involving renewable options for which “institutions are likely to set the market conditions” and which the system would “accept and match offers to purchase, sell, and write renewable options.” As the Examiner has argued (Answer 7-8), this disclosure suggests a system comprising a computer and software to enable the computer to compare two pieces of supplied information (from the buyer and seller) and determine a match if they correlate to another piece of information (*i.e.*, an indication that the trade is acceptable).

To the extent that Appellants are arguing that the particular information processed by the claimed system is different from that of Nelson’s system, the difference is one based on descriptive material.

Patentable weight need not be given to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate (here the display). *See In re Lowry*, 32 F.3d 1579, 1582-83 (Fed. Cir. 1994). *In re Ngai*, 367 F.3d 1336, 1338. *See also, Ex parte Mathias*, 191 Fed. Appx. 959 (CCPA 2006)(informative)(Rule 36) (nonfunctional descriptive material). In that regard, the Appellants have not come forward with evidence sufficient to show that the structure of the computer or software is functionally affected by it using trade execution

information supplied by a first trading party, trade allocation information supplied by a second party, and “a set of predefined acceptable trade details” to perform a match in contrast to the offers to purchase, sell, and write renewable options that the Nelson system uses. Absent such evidence, it is reasonable to conclude that use of trade execution information supplied by a first trading party, trade allocation information supplied by a second party, and “a set of predefined acceptable trade details” are descriptive and not functionally related to any structure of the claimed system and as such falls under the category of patentably inconsequential subject matter. *See Ex parte Curry*, 84 USPQ2d 1272, 1275 (BPAI 2005) (informative) (“Common situations involving nonfunctional descriptive material are: - a computer-readable storage medium that differs from the prior art solely with respect to nonfunctional descriptive material, such as music or a literary work, encoded on the medium, - a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (*i.e.*, the descriptive material does not reconfigure the computer), or - a process that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention.

Thus, if the prior art suggests storing a song on a disk, merely choosing a particular song to store on the disk would be presumed to be well within the level of ordinary skill in the art at the time the invention was made. The difference between the prior art and the claimed invention is simply a rearrangement of nonfunctional descriptive material.).” *See also Ex parte Mathias*, 84 USPQ2d 1276 (BPAI 2005) (informative).

Accordingly, the distinction between Nelson's system and that which is claimed on the basis of the content of the information being processed is a distinction based on nonfunctional descriptive material. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). *Cf. In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability).

The Appellants also take issue with Hammons for not disclosing the instantly claimed comparing and "acceptable trade parameters". Br. 12. But the Examiner did not rely on Hammons as evidence that the prior art discloses these features. Nelson was relied upon. *See Answer 4 and 8.*

Finally, the Appellants argue that one would not combine Nelson and Hammons because "both references are concerned with solving different completely different problems than the claimed invention." Br. 12. The Appellants do not further explain what that difference is. Nevertheless, "[t]he question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art. Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed." *KSR*, 550 U.S. at 420.

For the foregoing reasons, we find the Appellants' arguments challenging the rejection of claim 1 unpersuasive as to error in its rejection under §103 over Nelson and Hammons.

The Appellants challenge the rejection of the other claims in the same way; that is, to merely recite what the claims require and then generally making the remark that the Examiner has not provided any rationale. *See e.g.*, the treatment of the rejection of claim 2 (Br. 13: “The Examiner has provided no rationale for believing that the cited references disclose, teach or suggest these limitations, but merely cites a generic portion of Nelson. However, even after carefully reviewing the cited portion of Nelson, Appellant can not conceive of how the Examiner interprets Nelson to disclose the claimed limitations.”). In point of fact, it is plainly evident that the Examiner has made a concerted effort to not only cite where in the cited references all the limitations in all the claims are disclosed, with column and line number, but to explain what Nelson does and does not disclose vis-a-vis the claimed subject matter and why Hammons is relied upon, including an apparent reasoning with logical underpinning for the legal conclusion of obviousness of the claimed subject matter given the combined disclosures of Nelson and Hammons. *See* Non-Final Office Action of Feb. 11, 2008, pp. 3-4 and Answer 4. Each claim is addressed and the Examiner points Appellants not to generic portions but to specific passages in the prior art where the Examiner finds the claim limitations to be disclosed. For example, as to the subject matter of claim 2, the Examiner pointed the Appellants to col. 1, ll. 60-66 and col. 4, ll. 21+. Yet, the Appellants have not explained why the Examiner’s characterization of those passages is incorrect and would not meet the limitations of claim 2. Reading the Brief, it does not appear the Appellants have examined any of the passages the Examiner has cited to determine the correctness of the Examiner’s factual findings. “It is not the function of this court to examine the claims in greater detail than

argued by an appellant, looking for nonobvious distinctions over the prior art.” *In re Baxter Travenol Labs*, 952 F.2d 388, 391 (Fed. Cir. 1991). *See* also *In re Wiseman*, 596 F.2d 1019, 1022 (CCPA 1979) (arguments must first be presented to the board). The Appellants’ perfunctory criticism of the Examiner’s position has not given the Board a satisfactory reason to question the correctness of the Examiner’s factual findings. Appellants’ argument that, *e.g.*, the Examiner “has provided no rationale for believing that the cited references disclose, teach or suggest these limitations, but merely cites a generic portion of Nelson”(Br. 13) is insufficient to be considered persuasive as to error in the rejection of claims 2-8, 10-30, and 32-56. *Cf. Ex parte Belinne*, 2009 WL 2477843, (BPAI 2009) (informative) (<http://www.uspto.gov/ip/boards/bpai/decisions/inform/fd09004693.pdf>) (“Appellants’ argument, as detailed *supra*, repeatedly restates elements of the claim language and simply argues that the elements are missing from the reference. However, Appellants do not present any arguments to explain why the Examiner’s explicit fact finding is in error. Arguments not presented in the Appeal Brief “will be refused consideration by the Board, unless good cause is shown” (*i.e.*, are waived).” App.Br. 7, citing 37 C.F.R. § 41.37 (c)(1)(vii) (A statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim.).

For the foregoing reasons, we find the Appellants’ arguments challenging the rejection of claims 2-8, 10-30, and 32-56 unpersuasive as to error in their rejection under §103 over Nelson and Hammons.

CONCLUSIONS

We conclude that the Appellants have not shown that the Examiner erred in rejecting claims 1-8, 10-30, and 32-56 under 35 U.S.C. §103(a) as being unpatentable over Nelson and Hammons.

DECISION

The decision of the Examiner to reject claims 1-8, 10-30, and 32-56 is affirmed.

AFFIRMED

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